







MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
Homeownership Division

Understanding the Foreclosure Process

 Day 1 to 15	 Day 16 to 60	 Day 61 to 90	 Day 91 to 150	 Day 151 +	 Redemption Period
<p>Payment due on the 1st and is considered delinquent if not paid.</p> <p>Begin communication by calling your Lender.</p> <p>During this time if your Lender allows you to make a partial payment – make it.</p> <p>Find out if you are eligible for a HARP refinance.</p>	<p>Late charges are assessed after the 15th.</p> <p>Lender attempts phone contact.</p> <p>Lender sends notice of delinquency.</p> <p>Negotiate a repayment plan. Ask “what are my options?”</p>	<p>Lender makes written and phone contact.</p> <p>Lender sends out notice that a foreclosure is possible and that borrower has right to contact an attorney and a homeownership counselor to see if the borrower is eligible for a loan modification.</p> <p>Borrower must contact lender within 30 days from the date the notice is mailed to “opt-in” to the 90-day pre-foreclosure meeting process.</p>	<p>If the borrower does not “opt-in” to the 90-day pre-foreclosure meeting process or if a modification is not possible:</p> <p>Lender sends “demand” or “breach” letter that the mortgage terms have been violated.</p> <p>Once the “demand” letter goes out all delinquent payments and late fees are due. If not paid, Lender hires attorney to initiate foreclosure proceedings.</p> <p>Public Notification - Notice of Foreclosure at the local courthouse, details of the debt published in local paper for four consecutive weeks and a notice is posted on the home.</p>	<p>Sheriff Sale - House is sold at foreclosure sale or auction.</p> <p>The “Sheriff’s Deed” lists the last date the property can be redeemed.</p> <p>Redemption period is generally six months, but can be up to 12 months if property is over 3 acres and used for agricultural purposes.</p> <p>Warning: If you vacate your home the Lender considers the property abandoned and can shorten the redemption period to 30 days.</p> <p>The property title does not actually transfer until the end of the redemption period.</p>	<p>To get the property back you must pay: Amount bid at sheriff sale + interest + fees.</p> <p>LIVE in the house with no mortgage payment (save money to help you move)</p> <p>But you MUST:</p> <ul style="list-style-type: none"> ➢ Maintain utilities ➢ Maintain insurance ➢ Maintain the property <p>EVICTON - At the end of the Redemption Period you will receive an eviction/legal notice.</p> <p>LEGAL NOTICE - You will be served with legal notice of action. You can appear in court. Date is set for Sheriff to physically remove you from the property, if necessary.</p>
<p>As soon as possible contact a MSHDA-certified Housing Counselor for free assistance. Find the nearest one at www.michigan.gov/mshda</p>					
<p>Don't agree to a workout plan if you cannot afford to make the payments.</p> <p>In many cases the collection and foreclosure process continues while your request for a loan workout or modification is under review.</p> <p>Make sure you are communicating with someone who has the authority to do a workout and get it in writing. Talk with your lenders Loss Mitigation Department, not the Collections Department.</p> <p><u>Avoid Rescue Scams</u></p> <ul style="list-style-type: none"> • Don't give someone money who says they can prevent a foreclosure or help you get a loan modification. • Don't sign paperwork you aren't familiar with or sign a deed over to someone who says they will help you. 			<p><u>Be realistic</u> – if you cannot afford to keep your home – sell it. List your home with a reputable Realtor® who is familiar with “short sales” if you owe more than your home is worth. A short sale requires your lenders approval. Always ask for a waiver of deficiency from the lender.</p> <p>Ask if you are eligible for the Making Home Affordable HAFA program.</p>		

Become Informed of YOUR OPTIONS and COMMUNICATE! COMMUNICATE! COMMUNICATE!